

FINANCE. (195⁴⁷) Department.

Ms SERIES.

G.O. No. 816.

816

Dated 17th October, 1947.

[Despatch Abstract.]

FOREIGN EXCHANGE LIMITATIONS - Estimates of forward requirements of Govt. of Madras for the shipping period ending with June 1948 - For to the Government of India.

No. 31-S/47.
GOVERNMENT OF INDIA
Finance Department.

New Delhi, the 14th August 1947.

From K. G. Ambegaokar, Esq., I.C.S.,
Secretary to the Govt. of India.

~~Sd/-~~ Chief Secretary to the
Government of Madras,
Madras.

Subject:-Foreign exchange limitations - estimates of forward
requirements - request for.

Sir,

I am directed to say that the deterioration in the country's foreign exchange position has obliged the Government of India to intensify restrictions on the importation of goods, remittances of funds and travel abroad, with a view to conserving the resources available and utilising them to the best ~~of~~ national advantage.

2. Hitherto, there was no necessity to restrict expenditure of sterling, since India had built up large reserves of this currency during the war. These reserves, as the Provincial Governments are aware, are not immediately available to India, and action had recently to be taken to impose restrictions on the expenditure of sterling area currencies similar to those in force on that of scarce currencies, such as, the U.S. dollar.

3. I am to say that the system of control ~~is~~ established by the Government of India for its own purposes ensures that all expenditure proposals are carefully scrutinized ~~with~~ a view to ~~will~~ achieving the maximum economy in the use of foreign exchange. It would greatly facilitate the achievement of this object if Provincial Governments would be so good as to furnish the Govt. of India with forward estimates of their requirements for each shipping period in the proforma attached to this letter at least three months before its commencement. The next shipping period will extend from the 1st of January to the 30th of June, 1948 and I am to request that, if the Provincial Government see no objection, information in the prescribed proforma may be furnished so as to reach this Department before the 1st of October 1947.

4. In view of the extreme importance and urgency of this matter, I am to request that the matter be accorded a high priority.

I have the honour to be,
Sir,

Your most obedient servant,

~~Sd/-~~ K.G. Ambegaokar,
Secretary to the Govt. of India.

/true copy/

P R O F O R M A

Name of Province

Requirements for half year ending June, 1948.
December '48

Description of goods/services	Quantity and value	Name of country from which import desired.	Agency through which supply will be arran- ged.	Remarks.
(1)	(2)	(3)	(4)	(5)

GOVERNMENT OF MADRAS.
Finance (B.G.) Department.

D.O.No.50646 BG/47.

Fort St. George,
MADRAS-9.
Dated 4th September 1947.

My dear Ambegaokar,

Sub: Foreign exchange limitations— *estimates of forward requirements*

Ref: Your letter to the Chief Secretary to the Government
of Madras, No.31-S/47, dated 14th August, 1947.

In the letter cited, you have called for an estimate of forward requirements of foreign exchange in respect of the shipping period from the 1st January to 30th ~~Mar~~ June, 1948 in the form appended to that letter. From the headings of the various columns in this form, it appears that information is required only in respect of goods to be imported from abroad, either directly or through the High Commissioner for India. I am to enquire whether this information will be sufficient or whether estimates in respect of other payments made by the High Commissioner such as salaries of officers on leave or on deputation outside India, Sterling Overseas Pay, pensions (including commutation of pensions) etc. are also required. ✓

It is also not clear ~~whether~~ from the letter and the enclosed form whether the estimate is required only for requirements of sterling or whether it should cover all requirements of foreign exchange for external payments on account of this Government during the period. Will you kindly clarify this point also?

I am also to ask you to be so good as to send a reply by Air Mail as soon as possible.

Yours sincerely,

To
K. G. Ambegaokar, Secretary to the Govt. of India, (Sd.) Lodwell.
Finance Department, New Delhi.
/True Copy/

By Air Mail

D.O.No.66-S/47
Government of India
Ministry of Finance
New Delhi, d/6-9-1947

My dear Dodwell,

Would you please refer to your D.O. letter No.50646-B.G./47 dated the 4th September 1947 with regard to forward estimates of your requirements of foreign exchange in respect of the shipping period ending June 1948? The headings of the various columns of the proforma enclosed with my letter No.31-S/47 dated the 14th August, 1947 were designed to suit the import of goods only, since information relating to emoluments payable to officers abroad is already available to us from the accounts of the High Commissioner, London. We should, however, be grateful if you would include in your estimates any other expenditure involving the use of foreign exchange; for example, on scholarships payable to students sent for studies abroad. It is unlikely that such expenditure would be at all large.

2. Since virtually all of India's external transactions on Government account are effected in sterling, it was not thought necessary to refer specifically to expenditure in other currencies, even though such expenditure, for our purpose, is equally relevant

P.T.O.

However, would you kindly include in your estimates all payments in foreign currencies?

Yours sincerely,

Sd. K.G. Ambegaokar

D. W. Dodwell, Esq., I.C.S.,
Secretary to Finance Deptt.
Fort St. George, Madras.

/True Copy/

Finance (B.G.) Department

Please see the D.O. to the Joint Secretary to the Govt. of India, Finance Department, on page 5 above and his reply above.

2. A draft memo to Heads of Departments and Departments of the Secretariat in continuation of the one on p.4 C.F. is submitted for approval.

Issue. Sd. x x x,
18-9-1947

(Issued Memo No. 50646 (B.G.)-3, dated 16-9-1947)

/True Copy/

GOVERNMENT OF MADRAS,
Finance (B.G.) Department

Letter No. 50646 BG/47-4, Finance.

From

D.W. Dodwell, Esq., I.C.S.,
Secretary to the Government of Madras,
Finance Department, MADRAS-9.

To

The Secretary to the Government of India,
Ministry of Finance (with encl)

Dated the 30th September, 1947

Sir,

Sub: FOREIGN EXCHANGE LIMITATIONS - Estimates of forward requirements of the Government of Madras - Shipping period ending with June 1948.

Ref: Mr. Ambegaokar's letter to the Chief Secretary to the Govt. of Madras, No. 31-8/47, dated 14-8-1947.

I am directed to forward herewith a statement showing the estimates of forward requirements of the Government of Madras for the shipping period ending with June, 1948. The total work out to:-

(1) £. 5,64,153 (2) \$ 13,93,954 (3) Rs. 87,44,985.

The estimates in rupees relate to the payments to be made in India for stores to be supplied by various firms in India on arrival of shipments from abroad. As these Firms will have to arrange eventually for the remittance of the money to the foreign exporters, the estimates in rupees are also included in the statement.

A few estimates are still awaited from certain heads of departments. The further estimates will be forwarded to the Government of India as soon as they are received.

The estimates now furnished do not provide for the cost of rice, wheat, maize, etc., and chemical fertilizers to be imported from abroad, as the Government of India import them and distribute them to provinces. It is presumed that the Government of India will allow for their cost in the estimates of total requirements for the Dominion as a whole to be prepared by them.

Your obedient servant,

Sd. D.L.D.
30-9-47

/True Copy/

GOVERNMENT OF MADRAS.
Finance (BG) Department.

Letter No.816, Finance.

From

The Secretary to the Government of Madras,
Finance Department,
Fort St. George, MADRAS 29.

To

The Secretary to the Government of India,
Ministry of Finance, NEW DELHI.

Dated 17th October, 1947.

Sir,

Sub: Foreign Exchange Limitations - Estimates of forward requirements of the Government of Madras - Shipping period ending with June, 1948.

Ref: Mr. Ambegaokar's letter to the Chief Secretary to the Government of Madras, No.31-S/47, dated 14-8-47.

In continuation of my letter No.50646-B.G./47-4, dated 30-9-1947, I am directed to forward herewith a statement showing the further estimates of forward requirements of the Government of Madras for the shipping period ending with June 1948. I am to add that the approximate cost of the fifteen articles of paper, etc., shown under the head 'Superintendent of Stationery' in the statement enclosed with the letter mentioned above, may be taken as £.4,740.

Your obedient servant,

Sd. x x x,
for SECRETARY.

/True Copy/

RS/2/1/1958

P. Thiagarajan
10.10.54
OFFICE ASSISTANT,
MADRAS RECORD OFFICE.

VB
23/11 *1*
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